

In re: Lehman Brothers Holdings Inc., et al

To whom it may concern:

I am writing in response to a notice I received regarding a claim I had filed (claim number 8983) in the Lehman Brothers Holdings Inc bankruptcy case (see attachment 1). In response I submit the following as to why my claim should not be disallowed & expunged:

(i) United States Bankruptcy Court Southern District of New York
Lehman Brothers Holdings Inc Chapter 11 case no. 08-13555 (JMP)
Objection to Claim to be disallowed & expunged

(ii) Claimant: Michael F Palone
The claim is in the amount of \$99,894.31, which is the cost basis of the amount of preferred shares (4,040 shares) I owned in Lehman Cap Tr IV (LEHLQ) at the time of the bankruptcy filing (see attachment 2: Smith Barney account statements showing the ownership on August 31, 2008 and September 30, 2008). The only change to this ownership occurred on 12/23/09 when I sold 140 shares (see Attachment 3).

(iii) I feel by looking at the attachments it is clearly demonstrated that I owned the shares and have legitimate claim.

(iv) All documents regarding the claim are attached.

(v) Address to be used:

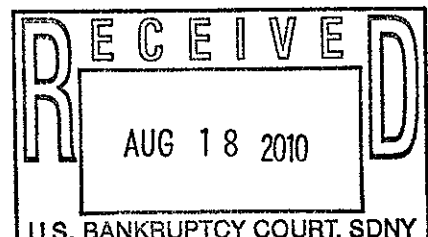
Michael F Palone
Hamilton Lane
1 Presidential Blvd, 4th Floor
Bala Cynwyd, PA 19004

(vi) Ultimate authority is the same address as above. Phone # is a Singapore cell phone # 65 9299 6061

Respectfully submitted,



Michael F Palone



**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

**LEHMAN BROTHERS HOLDINGS INC., et al.,
Debtors.**

**Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)**

LBH OMNI 31 07-16-2010 (MERGE2,TXNUM2) 4000055684 MAIL ID *** 0030504939 *** BSIUSE: 60

PALONE, MICHAEL F.
HAMILTON LANE
ONE PRESIDENTIAL BLVD, 4TH FLOOR
BALA CYNWYD, PA 19004

**THIS IS A NOTICE REGARDING YOUR CLAIM(S). YOU MUST READ IT
AND TAKE ACTION IF YOU DISAGREE WITH THE OBJECTION.**

**IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR THE OBJECTION,
PLEASE CONTACT DEBTORS' COUNSEL, AIMEE N. BLANCHARD, ESQ., AT 214-746-7700.**

**NOTICE OF HEARING ON DEBTORS' THIRTY-FIRST
OMNIBUS OBJECTION TO CLAIMS (INSUFFICIENT DOCUMENTATION CLAIMS)**

CLAIM TO BE DISALLOWED & EXPUNGED	
Creditor Name and Address: PALONE, MICHAEL F. HAMILTON LANE ONE PRESIDENTIAL BLVD, 4TH FLOOR BALA CYNWYD, PA 19004	Claim Number: 8983 Date Filed: 8/21/2009 Debtor: No Debtor Asserted Classification and Amount: UNSECURED: \$ 99,894.31

PLEASE TAKE NOTICE that, on July 19, 2010, Lehman Brothers Holdings Inc. and certain of its affiliates (collectively, the "Debtors") filed their Thirty-First Omnibus Objection to Claims (Insufficient Documentation Claims) (the "Objection") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").¹

The Objection requests that the Bankruptcy Court expunge, reduce, reclassify, and/or disallow your claim(s) listed above under CLAIM(S) TO BE DISALLOWED & EXPUNGED on the ground that said claim(s) violate the Bankruptcy Court's July 2, 2009 order setting forth the procedures for filing proofs of claim in these chapter 11 cases [Docket No. 4271], as they do not include supporting documentation or an explanation as to why such documentation is unavailable. **Any claim that the Bankruptcy Court expunges and disallows will be treated as if it had not been filed and you will not be entitled to any distribution on account thereof.**

If you do NOT oppose the disallowance, expungement, reduction or reclassification of your claim(s) listed above under CLAIM(S) TO BE DISALLOWED & EXPUNGED, then you do NOT need to file a written response to the Objection and you do NOT need to appear at the hearing.

If you DO oppose the disallowance, expungement, reduction or reclassification of your claim(s) listed above under CLAIM(S) TO BE DISALLOWED & EXPUNGED, then you MUST file with the Court and serve on the parties listed below a written response to the Objection that is received on or before 4:00 p.m. Prevailing Eastern Time on August 19, 2010 (the "Response Deadline").

¹ A list of the Debtors, along with the last four digits of each Debtor's federal tax identification number, is available on the Debtors' website at <http://www.lehman-docket.com>.

Your response, if any, must contain at a minimum the following: (i) a caption setting forth the name of the Bankruptcy Court, the names of the Debtors, the case number and the title of the Objection to which the response is directed; (ii) the name of the claimant and description of the basis for the amount of the claim; (iii) a concise statement setting forth the reasons why the claim should not be disallowed, expunged, reduced, or reclassified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which you will rely in opposing the Objection; (iv) all documentation or other evidence of the claim, to the extent not included with the proof of claim previously filed with the Bankruptcy Court or provided to the Debtors in response to the Derivative Questionnaire and/or Guarantee Questionnaire (as defined in the order, dated July 2, 2009, establishing the deadline for filing proofs of claim, approving the form and manner of notice thereof and approving the proof of claim form [Docket No. 4271]), upon which you will rely in opposing the Objection; (v) the address(es) to which the Debtors must return any reply to your response, if different from that presented in the proof of claim; and (vi) the name, address, and telephone number of the person (which may be you or your legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on your behalf.

The Bankruptcy Court will consider a response only if the response is timely filed, served, and received. A response will be deemed timely filed, served, and received only if the original response is actually received on or before the Response Deadline by (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) attorneys for the Debtors, Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Shai Waisman, Esq.); (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Andy Velez-Rivera, Esq., Paul Schwartzberg, Esq., Brian Masumoto, Esq., Linda Riffkin, Esq., and Tracy Hope Davis, Esq.); and (iv) attorneys for the official committee of unsecured creditors appointed in these cases, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq.)

A hearing will be held on September 1, 2010 to consider the Objection. The hearing will be held at 2:00 p.m. Prevailing Eastern Time in the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004, Courtroom 601. If you file a written response to the Objection, you should plan to appear at the hearing. The Debtors, however, reserve the right to continue the hearing on the Objection with respect to your claim(s). If the Debtors do continue the hearing with respect to your claim(s), then the hearing will be held at a later date. If the Debtors do not continue the hearing with respect to your claim(s), then a hearing on the Objection will be conducted on the above date.

If the Bankruptcy Court does NOT disallow, expunge, reduce or reclassify your claim(s) listed above under CLAIM(S) TO BE DISALLOWED & EXPUNGED, then the Debtors have the right to object on other grounds to the claim(s) (or to any other claims you may have filed) at a later date. You will receive a separate notice of any such objections.

You may participate in a hearing telephonically provided that you comply with the Court's instructions (including, without limitation, providing prior written notice to counsel for the Debtors and any statutory committees), which can be found on the Court's website at www.nysb.uscourts.gov.

If you wish to view the complete Objection, you can do so on the Court's electronic docket for the Debtors' chapter 11 cases, which is posted on the internet at www.nysb.uscourts.gov (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov), or for free at <http://www.lehman-docket.com>. If you would like to request a complete copy of the Objection at the Debtors' expense, please contact the Debtors' approved claims agent Epiq Bankruptcy Solutions, LLC toll-free at 1-866-879-0688.

If you have any questions about this notice or the Objection, please contact Debtors' counsel, Aimée N. Blanchard, Esq., at 214-746-7700. CLAIMANTS SHOULD NOT CONTACT THE CLERK OF THE BANKRUPTCY COURT TO DISCUSS THE MERITS OF THEIR CLAIMS.

DATED: July 19, 2010
New York, New York

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Shai Y. Waisman
ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

Smith Barney Reserved Client Financial Management Account August 1 - August 31, 2008

MICHAEL F PALONE

Account number 382-77525-14 725

Ref: 00001510 00040803

AT SMITH BARNEY

Preferred stocks continued

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,180	JP MORGAN CHASE CAP X 7.0% Rated A	JPMPRJ	12/02/05	\$ 30,084.11	\$ 25.26	\$ 23.97	\$ 28,284.60	(\$ 1,779.51) LT		
175			08/30/07	4,428.75	24.85	23.97	4,194.75	(234.00) ST		
1,355				34,492.86	25.456		32,479.35	(2,013.51)	7.30	2,371.25
2,040	LEHMAN CAP TR IV 6.375% Rated BBB+	LEHPRL	12/02/05	50,464.31	24.57	16.00	32,640.00	(17,824.31) LT		
2,000	Next call on 10/31/08		12/07/05	49,430.00	24.715	16.00	32,000.00	(17,430.00) LT		
4,040				98,894.31	24.728		64,640.00	(35,254.31)	9.96	6,438.75
1,990	MERRILL LYNCH & CO INC 6.375% PFD	MERPRI	12/02/05	50,362.50	25.14	17.10	34,029.00	(16,333.50) LT	9.32	3,171.56
	Rated BBB+ Next call on 11/17/10									
2,000	MORGAN STANLEY CAP TR VI 6.60% Rated A-	MSJ	01/31/06	50,600.00	25.30	19.60	39,200.00	(11,400.00) LT	8.418	3,300.00
	Next call on 02/01/11									

Total preferred stocks				\$ 285,535.07			\$ 210,920.35	(\$ 234.00) ST	8.73	
Total portfolio value				\$ 281,752.91			\$ 217,137.25	(\$ 234.00) ST	8.63	
								(\$ 74,381.66) LT		\$ (8,437.56)
								(\$ 74,381.66) LT		\$ (8,437.56)

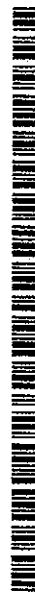
TRANSACTION DETAILS All transactions appearing are based on trade date

Checks written

Account number *****3977 - Citibank NA

Check no.	Date written	Date cleared	Description	Tracking code	Amount	Check no.	Date written	Date cleared	Description	Tracking code	Amount
01015	07/28/08	08/01/08	NATIONAL GRID		\$ 31.94						
Total checks written											\$ 31.94

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Smith Barney Reserved Client Financial Management Account September 1 - September 30, 2008



Ref: 00002073 00056899

Account number 382-77525-14 728
MICHAEL F PALONE

Preferred stocks continued

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,040	LEHMAN CAP TR IV 6.375%	LEHLQ	12/02/05	\$ 50,454.31	\$ 24.57	\$.08	\$ 163.20	(\$ 50,301.11) LT		
2,000	Rated D		12/07/05	49,430.00	24.715	.08	160.00	(49,270.00) LT		
4,040	Next call on 10/31/08			99,884.31	24.726		323.20	(99,571.11)		
1,980	MERRILL LYNCH & CO INC 6.375% PFD	MERPRI	12/02/05	50,362.50	25.14	13.66	27,183.40	(23,179.10) LT	11.667	3,171.56
	Rated BBB+									
	Next call on 11/17/10									
2,000	MORGAN STANLEY CAP TR VI 6.60%	MSJ	01/31/06	50,600.00	25.30	11.80	23,600.00	(27,000.00) LT	13.863	3,300.00
	Rated A-									
	Next call on 02/01/11									
Total preferred stocks										
				\$ 285,536.01			\$ 120,722.60	\$ 0.00 ST	6.93	\$ 11,302.81
Total portfolio value										
				\$ 285,733.27			\$ 123,919.66	\$ 0.00 ST	6.71	\$ 12,043.50
								(\$ 164,813.41) LT		\$ 0.00

TRANSACTION DETAILS All transactions appearing are based on trade date.

Checks written

Account number *****3977 - Citibank NA

Check no.	Date written	Date cleared	Description	Tracking code	Amount	Check no.	Date written	Date cleared	Description	Tracking code	Amount
01016	09/08/08	09/11/08	PENNSYLVANIA DEPARTMENT O		\$ 495.00	01017	09/08/08	09/11/08	UNITED STATES TREASURY		2,530.00
						Total checks written					\$ 3,025.00

Bank Deposit ProgramSM activity

The term DEPOSIT typically refers to client initiated deposit of funds. The term AUTODEPOSIT typically refers to the "sweep" of funds into a Program Bank that results from proceeds of a transaction, a dividend from a stock or interest from a bond. Conversely, WITHDRAWAL is the term that refers to transactions that cause funds to be redeemed from your Program Bank, such as the payment for an investment purchase or the payment of FMA checks that you have written.

Opening balance \$ 6,216.90

Date	Activity	Description	Amount
09/11/08	Withdrawal	BANK DEPOSIT PROGRAM	-3,025.00

Date	Activity	Description	Amount
		BANK DEPOSIT PROGRAM INTEREST CREDITED	5.36
		(SEE DETAILS UNDER EARNINGS DETAILS)	
		Closing balance	\$ 3,197.26

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(OK)

Morgan Stanley
Smith Barney

Dow 10680.43 +44.05 4:30pm | NASDAQ 2303.57 +20.05 5:30pm | S&P 500 1127.24 +6.78 4:59pm

[Print](#)

Select: 382-77525

2009 Gain/Loss (Realized) Positions

[View](#)

Data as of 8/3/2010.

2009 (Realized) Positions - 382-77525

[E-mail](#)

All	Description	Quantity	Date Acquired	Purchase Price	Cost	Date Sold	Sale Price	Proceeds	Realized Gain/Loss	ST/LT
<input checked="" type="checkbox"/>	LEHMAN CAP TR IV 6.375%	140.0000	12/02/05	24.57	3,463.24	12/23/09	0.200	14.99	-3,448.25	LT
	382-77525									
	Long-Term Total				3,463.24			14.99	-3,448.25	
	Total				3,463.24			14.99	-3,448.25	

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The information on this page is updated with the prior trading day's closing prices when they become available.

LT/ST: Indicates whether a realized or unrealized gain/loss is long-term or short-term. Long-term gains or losses reflect positions held for greater than 12 months. Short-term gains or losses reflect positions held for less than or equal to 12 months.

Date sold reflects trade date; however, these positions will not appear as realized until the settlement date.

Gain/loss amounts as calculated for income tax purposes may not reflect the overall return on your fund holdings, particularly if you have received capital gain distributions with respect to those funds.

* For more information, please contact your [Financial Advisor](#).

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